



Dateline ERS

New ERS research and analysis at: www.ers.usda.gov

Economic Research Service

December 2010

U.S. Department of Agriculture

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.



Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade.

This Month

- Rice
- Feed
- Wheat
- Oil Crops
- Cotton and Wool
- Sugar and Sweeteners
- Vegetables and Melons
- Livestock, Dairy, and Poultry

All reports along with a calendar of future releases are available at:

www.ers.usda.gov/publications/outlook

The Role of Contracts in the Organic Sector

www.ers.usda.gov/Publications/EIB69/

Organic food products are excellent candidates for contract production and marketing because they are produced using a distinct process and are in high demand. *The Role of Contracts in the Organic Supply Chain: 2004 and 2007* summarizes survey data on contracting in the organic sector, addressing the extent of contracting, the rationale for using contracts, and contract design for select commodities. The central survey data were collected from certified organic handlers (intermediaries) in the United States who marketed and procured organic products in 2004 and 2007. Contracting is widespread in the organic sector, and, in 2007, firms used contracts most frequently to secure organic products essential to their business and to source products in short supply. Large firms were more likely to use contracts for procurement, and these firms contracted for a larger share of their procurement needs. Nearly all contracts required suppliers to provide evidence of organic certification. Firms using contracts rarely assisted suppliers with obtaining organic certification or the transition to organic. Most contracts include provisions regarding quality, and quality verification was an essential component of these contracts. Prices were determined in a variety of ways and, in some cases, depended on delivered quality.

Net Farm Income Forecast Up 31 Percent in 2010

www.ers.usda.gov/Features/farmincome/

Net farm income is forecast to be \$81.6 billion in 2010, up \$19.4 billion (31 percent) from 2009. The 2010 forecast is \$16.7 billion above the average of \$64.8 billion in net farm income earned annually in the previous 10 years and is the third largest amount of income earned in U.S. farming in nominal terms. Cash receipts are expected to increase 10.4 percent, due mainly to higher livestock receipts. The average family farm household income is expected to be up by 7.8 percent in 2010, to \$83,194 with farm and off-farm income forecast to increase from 2009.



An Economic Analysis of U.S. Household Dairy Demand

www.ers.usda.gov/Publications/TB1928/

An Analysis of U.S. Household Dairy Demand examines retail purchase data for 12 dairy products and margarine from the Nielsen 2007 Homescan retail data. Selected demographic and socioeconomic variables included in the Nielsen data are analyzed for their effects on aggregate demand and expenditure elasticities for the selected products.



USDA's 87th Agricultural Outlook Forum Today's Strategies and Tomorrow's Opportunities

February 24-25, 2011

Crystal Gateway Marriott Hotel
Arlington, Virginia

Join us for USDA's annual Forum as the Secretary of Agriculture and government, farm, and industry leaders discuss the future of U.S. agriculture including risk management, trade, rural communities, conservation, nutrition and diet, and sustainability. Register now at: www.usda.gov/oce/forum/



Fruits and Vegetables from Peru

www.ers.usda.gov/Publications/FTS/2010/11Nov/FTS34501/

Peru: An Emerging Exporter of Fruits and Vegetables profiles the growth in Peru's fruit and vegetable exports, analyzing the advantages and challenges, and the impacts on U.S. growers, and presenting three case studies: asparagus, processed artichokes, and table grapes.

The U.S. and Mexican Dry Bean Sectors

www.ers.usda.gov/publications/VGS/2010/10Oct/VGS34101/

The U.S. and Mexican Dry Beans Sectors examines the significance of dry bean trade to the member countries of the North American Free Trade Agreement (NAFTA), focusing on supply, demand, and policy in the U.S. and Mexican dry bean sectors, and the outlook for these industries.

The Market for Distillers' Grains

www.ers.usda.gov/publications/FDS/2010/11Nov/FDS10K01/

In *Market Issues and Prospects for U.S. Distillers' Grains Supply, Use, and Price Relationships*, ERS analyzes the rapidly developing market for dried distillers' grains, a by-product of corn ethanol production used for livestock feed. The report addresses supply, use, price, and the potential role of government in market facilitation.

How to get more information...

More information about the items featured in DatelineERS can be found on our Website: www.ers.usda.gov by going to the web address listed in each article. This newsletter is available online at www.ers.usda.gov/news